

THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.25400 of 2005

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Dated : 11th August, 2006.

Between :

M/s. Elmer Software Limited, rep. by its
Managing Director Sri S. Ravi Krishna,
AC Guards, Lakdikapul, Hyderabad. .. Petitioner

And

1. Bank of Baroda, A Government of India
Undertaking, rep. by its Chairman-cum-
Managing Director, having their Corporate
Offices at Baroda House, Mumbai
And 3 others. ..Respondents

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ORDER :

This writ petition is filed seeking a declaration that the action of the respondent Bank in issuing Notice dated 8-11-2005 calling upon the petitioner to pay the balance amount under the One Time Settlement (OTS) to the tune of Rs.61 lakhs together with overdue interest at the rate of 12% on or before 30-11-2005, as arbitrary and illegal, and consequently to direct the respondent Bank to close the loan accounts of the petitioner company in terms of OTS sanctioned vide letter dated 20-5-2005.

Taking into consideration the fact that the petitioner had already paid substantial amounts in terms of the settlement under the OTS, this Court while directing Rule Nisi, by order dated 29-11-2005 directed the 2nd respondent not to take any coercive steps against the petitioner pursuant to the notice dated 8-11-2005.

While so, during pendency of this writ petition, the petitioner paid the entire balance under its loan account on 31-3-2006. Since the entire amounts as agreed under the OTS have been paid, the petitioner sought a direction for return of the documents relating to the properties mortgaged as security.

The learned Counsel for the respondent though did not dispute the fact that the entire amounts as agreed under the OTS have been paid, contended that since the petitioner is also liable to pay overdue interest, unless the said amounts are paid the documents pertaining to title deeds of the various properties deposited by the petitioner towards

collateral security cannot be released. The learned Counsel appearing for the petitioner across the bar stated that in the event of quantifying the overdue interest, if any, payable by the petitioner, the petitioner is willing to pay the same.

In the circumstances, the Writ Petition is disposed of with a direction to the 2nd respondent to determine overdue interest, if any, payable by the petitioner under the loan account in question for the delayed payment of amounts under the OTS and communicate the same to the petitioner within a period of two weeks from the date of receipt of this order. It is made clear that on such payment, the 2nd respondent shall release the documents pertaining to the title deeds of the properties deposited by the petitioner towards collateral security.

Writ Petition is accordingly disposed of. No costs.

G. ROHINI, J.

Dt. 11-8-2006

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Note:- CC in one week.